
2015 Capital Improvement Budget Process

The Fiscal Years 2015-2019 **Capital Improvement Program (CIP)** is a multi-year plan for capital expenditures to replace and expand the City's infrastructure, vehicles and equipment. For program purposes the City defines a capital improvement as a major improvement or acquisition costing over \$50,000 that will last 10 years or more. The program is updated annually to reflect the latest priorities, updated cost estimates and available revenue sources.

The purpose of the CIP is to outline the funding for capital projects and capital acquisitions that will be of a long-term benefit to the citizens of Memphis. Because projects in the CIP Plan have long term benefits, they are financed over a longer period of time. As a result, present and future users pay for the projects.

Preparing the Capital Improvement Program requires identifying the various sources of revenue for projects such as general obligation bonds, federal grants, state grants, private funds and Capital Pay As You Go. Each project must be evaluated as to its impact including the operational budgetary impact.

The CIP process begins in October with the submission of projects by each Division to the CIP committee. The CIP Committee is comprised of various Division representatives of the City's operations. The CIP Committee evaluates, scores and ranks projects by priority. Projects are ranked using various criteria such as the amount of funds available, importance to the overall mission of the Division, and strategic priorities of the City. Projects with the highest priority receive the available funding. The Mayor reviews the CIP plan then submits the proposed plan to the City Council in April for review and adoption.

Adoption of the CIP Plan by the City Council allows for the allocation of funds for the first year of the program. The **Capital Improvement Budget** is the annual allocation to the CIP that is set aside to fund major construction projects, acquire property, purchase equipment and fund ongoing capital programs for the City. The City attempts to budget annual G. O. Bonds specifically at an average of \$65.0 million per year. Specific language on how to appropriate and spend construction funds is contained in the CIP resolution. Projects allocated in previous years' Capital Budgets, that have been delayed, may be reprogrammed according to the priorities of the administration for spending in the new plan.

Financing the Capital Improvement Program

Long Term Debt

The City's proposed Capital Budget is \$257,054,118 in total allocations for FY 2015. General Obligation Bonds, excluding G.O. for Storm Water which will be paid by the fund, are \$83,349,255 or 32.42% of the total revenue for the FY 2015.

Federal Grants/State Grants

Federal and State grants represent \$59,965,743 or 23.33% of the revenue in the FY 2014 Capital Budget. The majority of these Federal funds are for MATA projects and Public Works projects that qualify for Federal grants. State grants represent the State-matching portion of the MATA funds and Public Works projects that qualify for State funds.

Sewer Funds

Sewer project funding is not represented in sewer bonds for FY2015. Projects are funded by "Capital-Pay-Go". These are internally generated funds. The total for sewer related capital-pay-go funding is \$102,200,000 or 39.76% of the revenue in the FY 2015 Capital Budget.

Capital Improvement Budget Highlights

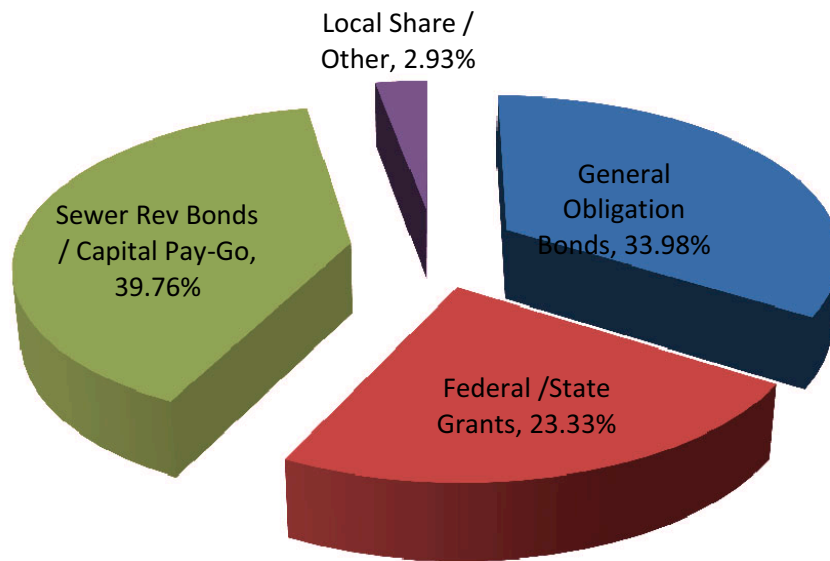
Spending that aligns with current priorities is focused on projects that enhance the City's economic development strategy, projects that leverage federal or private funding, projects mandated by law, and projects that maintain existing facilities.



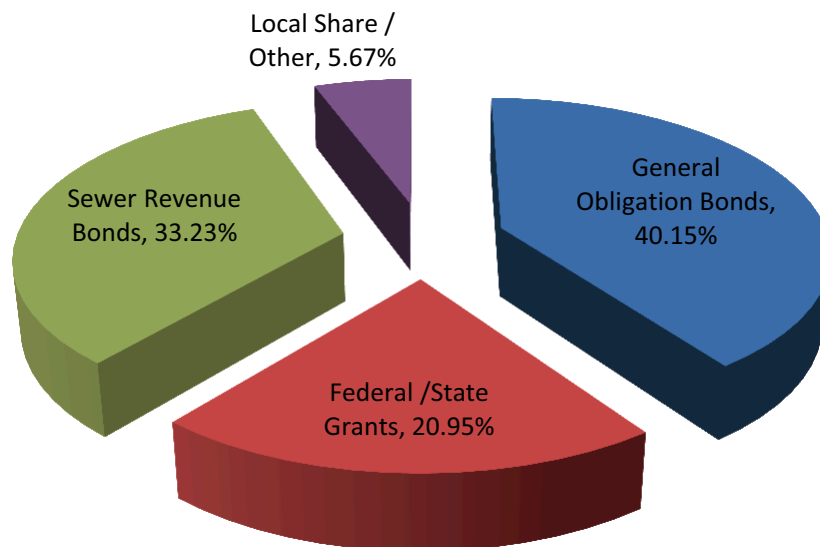
Highlights of these strategies are as follows:

- **The Fire Division** - Funding made available to make construction repairs on all fire stations, purchase personal prevention equipment and funds to purchase five ambulances, one rehab truck, two engines and 10 SUVs are in this budget.
- **The Police Division** - Funds are included in the General Service Capital Acquisition budget for the purchase of 134 police cars and in-car videos.
- **The Public Works Division** -Funding made available to pave more than 400 lane miles of streets each year. ADA ramp improvements, and several road projects also highlight the FY 2014 budget. The **Stormwater Fund** CIP budget will allow the City to make major investments in drainage infrastructure throughout the City. The **Sewer Fund** projects are for the repair and replacement of sewer infrastructure, new sewer connections and improvements to the treatment plants. In addition funds have been included to handle the City's blight.
- **The General Services Division** - Funding made available to provide for major ADA improvements, and minor improvements to various City buildings. This budget also reflects \$7.0 million for City-wide vehicle purchases.
- **Housing and Community Development** - Budget funding included for Heritage Foote Homes, Cleaborn Hope IV and redevelopment of the Raleigh Springs Mall.
- **The Engineering Division** - Funding is included for replacement of traffic signals, and transportation improvements.
- **Riverfront Development** - Funding from FY2014 has been reprogrammed in the FY 2015 budget for repairs and replacement of historic cobblestone paving.
- **The Memphis Area Transit Authority** - This budget is heavily leveraged by Federal and State funding. This year's budget includes repairs to the trolley system and infrastructure.
- **Executive Division** - Funding included for major modifications at the Cook Convention Center.
- **Parks and Neighborhoods** - Funding will provide rehabilitation to the Pink Palace Planetarium and Museum in addition to various other city parks and facilities.

FY 2015 - 2019 CAPITAL IMPROVEMENT PROGRAM WHERE THE MONEY COMES FROM



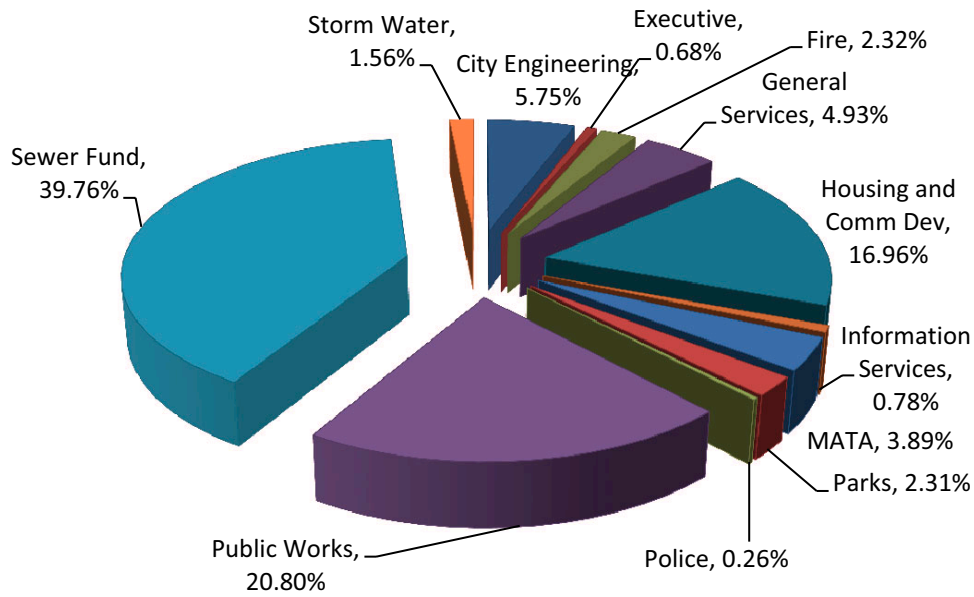
FY 2015 Budget



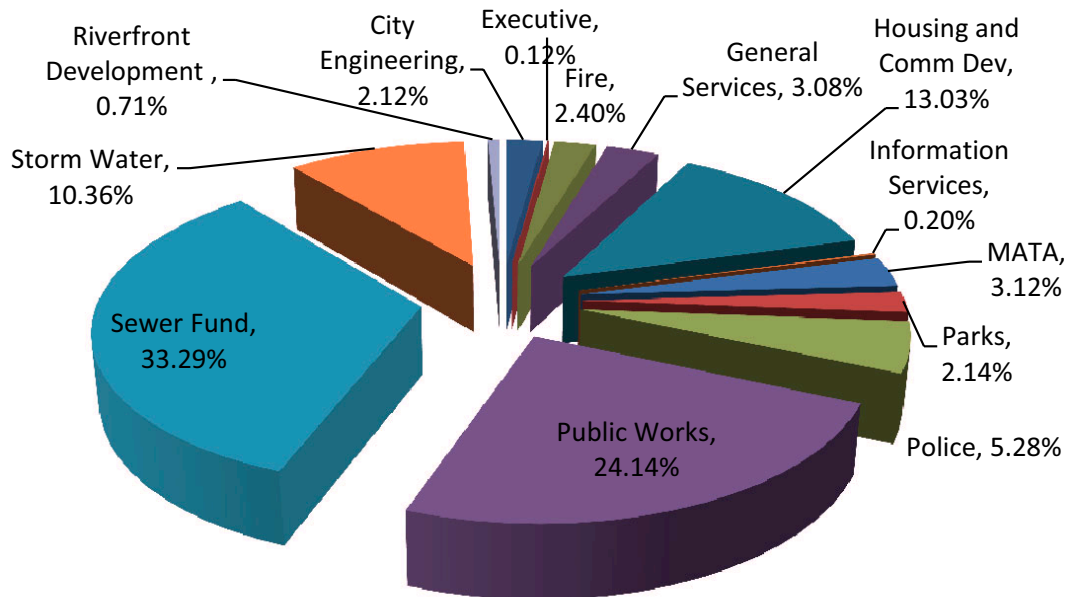
FY 2015 - 2019 Programs

Includes Reprogrammed Allocation

FY 2015 - 2019 CAPITAL IMPROVEMENT PROGRAM WHERE THE MONEY GOES



FY 2015 Budget



FY 2015 - 2019 Programs
Includes Reprogrammed Allocation